

MAY 1950

Memorandum for: Director of Central Intelligence

Subject: Executive Salaries in CIA.

1. The salary of the Director of Central Intelligence was originally established by the National Security Act of 1947 at the rate of \$14,000 a year. In 1949, the Administration proposed an Executive Pay Act which recommended a salary of \$20,000 for the Director. This was reduced to \$17,500 by the House and to \$15,000 by the Senate. The House and Senate then compromised on a salary of \$16,000, which is the compensation the Director presently receives.

2. The salary of the Deputy Director of Central Intelligence was first established by the Executive Pay Act of 1949 at the rate of \$14,000 a year. The Administration had proposed that this salary be set at \$17,500, a figure which was reduced to \$15,000 by the House and to \$14,000 by the Senate. In conference, the House agreed to the Senate figure. Following the passage of the 1951 Pay Act which raised the salaries of Federal employees, the Deputy Director's salary was raised to \$14,800, which is the present rate of compensation for the position.

3. Under the present statute, if either the Director or Deputy Director of Central Intelligence is a military officer and his military pay and allowances exceed the statutory salary of the position, the incumbent shall receive the full military pay and allowances of his rank. If his military pay and allowances are less than the statutory salary for the position, the Central Intelligence Agency shall make up the difference between the two.

4. To be consistent with their positions in the governmental structure, the salaries of the DCI and DDCI should be increased to \$20,000 and \$18,500, if present executive salaries are maintained.

5. The following executive salaries are noted for purposes of comparison:

Cabinet Officers)	
Director, Office of Defense Mobilization)	\$22,500
Administrator, Foreign Operations Administration)	
Deputy Secretary of Defense)	
Chairman, Atomic Energy Commission)	\$20,000
(The General Manager, AEC, receives compensation at a rate determined by the Commission, but not in excess of \$20,000 a year).		
Assistant Attorneys General, formerly at Assistant Secretary level, were recently raised to \$20,000.		
Secretaries of the Army, Navy, Air Force)	
Members of the Atomic Energy Commission)	\$18,000
Under Secretaries)	
Comptroller General)	
Director, Bureau of the Budget)	
Administrator of Veterans Affairs)	
Administrator, General Services Administration)	\$17,500
Director, United States Information Agency)	
Deputy Director, Office of Defense Mobilization)	
Deputy Administrator, Foreign Operations Administration)	
Assistant Comptroller General)	
Assistant Director, Bureau of the Budget)	
Chairman, Civil Service Commission)	\$16,000
Deputy Administrator of Veterans Affairs)	
Deputy Director, United States Information Agency)	
Assistant Secretaries of the Executive Departments)	\$15,000

6. Under the Executive Pay Act of 1949, the salaries of the Director of the Federal Bureau of Investigation and the Associate Director were set at \$16,000 and \$14,000 respectively. However, for

several years the appropriation bill for the Department of Justice has carried a special rider which provides that the compensation of the Director of the FBI shall be \$20,000 a year "so long as the position is held by the present incumbent." The salary of the Associate Director of the FBI has now been established at \$17,500.

7. Comparison with other Departments and Agencies indicates that it would be desirable to establish statutory positions and increased salaries for the Deputy Director/Plans, Deputy Director/Intelligence, Deputy Director/Support, the Special Assistant to the Director for Planning and Coordination, the Inspector General and the General Counsel. In order to avoid freezing these titles (other than the General Counsel) into statutory language, it might be best to provide for six "principal assistants to the Director, one of whom shall be the General Counsel". This would be consistent with existing statutory authority for the Atomic Energy Commission. In view of the non-political nature of these positions, they should not be subject to Senate confirmation; it would also be preferable if they did not have to be Presidential appointees. Provision would also have to be made to apply the same provisions of law to these positions, as presently apply to the Director of Central Intelligence or Deputy Director of Central Intelligence when such positions are occupied by members of the Armed Forces.

8. In connection with establishing the salary of the General Counsel at this level, it is noted that the General Counsel of the Atomic Energy Commission may be paid up to \$16,000, and that the General Counsels of the Departments of Defense and Commerce, and the Legal Advisor of the Department of State hold positions equivalent to, and receive the salary of, an Assistant Secretary. The Hoover Commission Report on Legal Services recommends a chief legal officer at the Assistant Secretary level.

9. If the compensation of the "principal assistants" to the Director were established at the rate prescribed by law for Assistant Secretaries of Executive Departments, it would not be necessary to secure special legislation for these positions each time there is an Executive pay raise. If an Executive pay raise increased the compensation of Assistant Secretaries, our senior officials would then be paid automatically at that increased rate. The current salary of Assistant Secretaries is \$15,000, while the CIA officials noted above receive \$14,800 (GS-18).

10. The comments above and the proposed salary scales are all on the basis of current executive salaries. However, under P. L. 9 of the 84th Congress, which adjusted the salaries of judges and members of Congress, the salaries of the Assistant Attorneys General were raised to \$20,000 per annum. As Assistant Attorneys General have always been compensated at the rate of Assistant Secretaries, it may be assumed for planning purposes that the salaries of Assistant Secretaries, Under Secretaries and Cabinet members will be raised at least \$5,000 per annum. Under such conditions, it would seem fair to propose that the salary of the Director of Central Intelligence be established at \$25,000 per year, the salary of the Deputy Director at \$22,500 per year, and the compensation of the six "principal assistants" be proposed at the rate paid to Assistant Secretaries -- \$20,000 a year.

11. The Administration has not yet determined whether it will submit an Executive Pay bill, or what the top salary rates will be. If the increase for Cabinet members, Under Secretaries and the senior officials of the Government in the positions indicated above are raised by more than \$5,000, then the figures proposed in this program for CIA should be raised proportionately.

12. The question arises as to whether a certain limited number of senior CIA officials, under the "principal assistants" level, should receive statutory compensation rather than the GS-18 salaries which they presently receive. The Administration has not yet made any final determination regarding increasing the salaries of the "super-grade" level. The present GS-18 salary is at \$14,800, \$200 less than the salary of an Assistant Secretary. If an Executive pay bill establishes the compensation of Assistant Secretaries at \$20,000, the Administration will have the alternatives of stretching out the present GS-16, 17 and 18 salaries to cover the gap between \$14,800 and \$20,000, or inserting two additional super-grades between the GS-18 and the Assistant Secretaries. Either alternative would appear to cover adequately the senior CIA officials below the Deputy Director level. Since nothing material would be gained by

statutory authorization for these positions, the drawbacks of legislation in this respect recur to outweigh any advantages.

/Signed/

Walter L. Forzheimer
Legislative Counsel

CONCUR:

DATE:

/Signed/ Lawrence R. Huston *10 May 55*
General Counsel

/Signed/ Harrison G. Reynolds *10 May 55*
Director of Personnel

/Signed/ L. K. White *10 May 55*
Deputy Director/Support

OGC:WLP/blc (9 May 55)

Orig. - Add

1 - DD/S

1 - Dir. of Personnel

2 - Legislative Counsel ✓

1 - DDCT

1 - IG